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Sales and Marketing MANAGEMENT

AMERICA'S BEST SALES FORCES

ARMSTRONG WORLD INDUSTRIES

AT&T

BERGEN BRUNSWIG

BLACK & DECKER

LIZ CLAIBORNE

COCA-COLA

DU PONT

GILLETTE

IBM

KIMBERLY-CLARK

MERCK

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AMERICA'S BEST SALES FORCES

Liz Claiborne surges, Georgia-Pacific falters, and IBM and Du Pont retain their titles.

Best is a strong word. When applied in any field of endeavor, it implies a performer without equal, the creme de la creme, the king of the roost.

Unmatched excellence is also fleeting. Just ask the Chicago Bears, who looked invincible in Super Bowl XX, then watched XXI at home. Or talk to the salespeople at Georgia-Pacific who were rated tops the last time S&MM surveyed the forest products industry two years ago, but finished dead last this year. We all strive to occupy the highest ground, but there's only room for one, and it's easy to lose your footing and be displaced.

The top finishers in S&MM's Third Annual Best Sales Force Survey are the elite who, in the opinions of their peers, clung to that high ground for the longest time in 1986. Theirs were the sales forces that competitors looked up to and emulated—and plotted to conquer.

Earlier this year, S&MM sent questionnaires to approximately 1,000 sales executives from each of the 13 industries listed on the following pages and asked them to grade the 10 largest companies in their categories on each of seven different selling attributes, such as holding old accounts, quality of training, and reputation among customers. The grades given by respondents ranged from 1

(Poor) to 10 (Excellent), and the scores used to determine overall rankings represent an average of the seven individual grades each company received. Generally speaking, any grade of 7.00 or higher is considered very good to excellent in this sampling, while scores at the 4.00 level or lower are fair to poor.

S&MM returns this year to rating 10 of the same industries it examined in its first Best Sales Force Survey two years ago after rating 8 entirely different fields last year. However, one of the original categories (diversified services) has been dropped, another (textiles & apparel) has been split in two, and two new categories (life insurance and wholesale distribution) have been added.

Lucky for Liz Claiborne, Inc., that apparel was spun off into its own category. The New York City marketer of working-women's wear, which ranked tenth in revenues among rag marketers in the 1986 Fortune 500 (from which companies were chosen for this survey), would not have made it onto our questionnaire had we stuck with the old textiles & apparel category. Instead, Claiborne was allowed to shine as the unabashed star, copping scores of 8.00 and above in six of seven selling characteristics (see table on page 44). The company's average grade of 8.14 is the highest ever in Best Sales Force balloting. (Another apparel company, Kellwood, had this year's lowest rating, a 4.74.)

Respondents from the apparel sector had reason to give high praise. Claiborne's sales force—which, incredibly, seldom goes on the road—nearly doubled revenues in 1986 to $813 million, making Claiborne the fifth largest clothing company in the most recent Fortune 500.

The last winner in the textiles & apparel category, Blue Bell, has since been acquired by VF, a holding company for Vanity Fair. The

How they stack up

What the scores mean
Survey respondents were asked to rate each of the top 10 companies in their own industries in seven different selling functions (see page 44). Scores for overall rankings represent an average of the seven grades each company received.
A score of less than 4.00 is considered poor, 4.00 to 5.99 average, 6.00 to 7.50 very good, and above 7.50 excellent.

APPAREL

Rank	Score
1. Liz Claiborne	8.14
2. VF	6.82
3. Cluett Peabody	6.61
4. Levi Strauss	6.59
5. Oxford Industries	6.56
6. Hartmarx	6.47
7. Phillips-Van Heusen	6.45
8. Warnaco	5.71
9. Interco	5.10
10. Kellwood	4.74

ELECTRONICS

Rank	Score
1. AT&T	6.73
2. General Electric	6.68
3. Texas Instruments	6.55
4. Motorola	6.34
5. Raytheon	6.00
6. ITT	5.97
7. Westinghouse	5.92
8. TRW	5.82
9. Litton Industries	5.75
10. Emerson Electric	5.47

FOOD & BEVERAGES

Rank	Score
1. Coca-Cola	7.36
2. Pepsi-Cola	7.23
3. Anheuser-Busch	7.18
4. General Foods	7.07
5. Kraft	7.01
6. General Mills	6.72
7. Sara Lee	6.26
8. Ralston Purina	6.09
9. Beatrice	5.84
10. ConAgra	5.36

METAL PRODUCTS

Rank	Score
1. Gillette	7.21
2. Parker Hannifin	6.90
3. Stanley Works	6.71
4. CBI Industries	6.19
5. Triangle Industries	6.14
6. American Can	6.01
7. Masco	5.96
8. Crown Cork & Seal	5.91
9. Emhart	5.57
10. Harsco	5.39

PHARMACEUTICALS

Rank	Score
1. Merck	7.71
2. Johnson & Johnson	7.36
3. Eli Lilly	7.25
4. Pfizer	7.19
5. SmithKline Beckman	6.98
6. Abbott Laboratories	6.90
7. Baxter Travenol	6.89
8. Bristol-Myers	6.78
9. Warner-Lambert	6.40
10. American Home Products	6.22

CHEMICALS

Rank		Score
1.	Du Pont	7.75
2.	Dow Chemical	6.93
3.	Celanese	6.53
4.	Monsanto	6.33
5.	Hercules	6.27
6.	BASF	6.25
7.	Union Carbide	6.12
8.	American Cyanamid	5.58
9.	FMC	5.33
10.	W.R. Grace	5.06

COMPUTERS & OFFICE EQUIPMENT

Rank		Score
1.	IBM	7.52
2.	Digital Equipment Corp.	7.19
3.	Hewlett-Packard	6.98
4.	Apple	6.58
5.	NCR	5.81
6.	Wang Laboratories	5.65
7.	Control Data	5.41
8.	Unisys	5.38
9.	Honeywell	5.06
10.	Pitney Bowes	4.95

FOREST PRODUCTS

Rank		Score
1.	Kimberly-Clark	6.44
2.	Scott Paper	6.04
3.	Champion International	5.98
4.	James River Corp. of Virginia	5.84
5.	Weyerhauser	5.81
6.	Mead	5.66
7.	Boise Cascade	5.19
8.	International Paper	5.16
9.	Crown Zellerbach	5.04
10.	Georgia Pacific	4.86

INDUSTRIAL & FARM EQUIPMENT

Rank		Score
1.	Black & Decker	6.67
2.	Deere	6.64
3.	Caterpillar	6.63
4.	Cummins Engine	6.54
5.	Teledyne	6.53
6.	Baker International	6.52
7.	Combustion Engineering	6.34
8.	Dresser Industries	6.26
9.	Ingersoll Rand	6.25
10.	American Standard	6.17

LIFE INSURANCE

Rank		Score
1.	Northwestern Mutual	7.26
2.	Aetna	6.43
3.	Connecticut General	6.39
4.	New York Life	6.21
5.	Travelers	6.20
6.	Prudential	6.11
7.	Equitable	6.02
8.	John Hancock	5.69
9.	Metropolitan	5.46
10.	Teachers Insurance & Annuity	4.88

SCIENTIFIC & PHOTOGRAPHIC EQUIPMENT

Rank		Score
1.	Xerox	7.52
2.	3M	7.34
3.	Eastman Kodak	7.29
4.	Polaroid	7.19
5.	Tektronix	7.07
6.	Perkin-Elmer	6.48
7.	Lear Siegler	6.02
8.	EG&G	5.90
9.	General Signal	5.75
10.	Becton Dickinson	5.02

WHOLESALE DISTRIBUTION

Rank		Score
1.	Bergen Brunswig	7.09
2.	Wetterau	7.00
3.	IU International	6.82
4.	Alco Standard	6.74
5.	Fleming Companies	6.57
6.	McKesson	6.52
7.	Genuine Parts	6.46
8.	Sysco	6.11
9.	Price	5.71
10.	Charter	5.63

TEXTILES

Rank		Score
1.	Armstrong World Industries	6.44
2.	Shaw Industries	6.36
3.	Collins & Aikman	6.30
4.	Burlington Industries	6.21
5.	West Point Pepperell	6.16
6.	Fieldcrest Mills	5.94
7.	J.P. Stevens	5.87
8.	DWG	5.56
9.	Springs Industries	5.35
10.	United Merchants & Manufacturers	4.94

THE BEST IN SEVEN CATEGORIES OF SELLING

(Companies, followed by scores, with highest possible score a 10)

Industry	Opening New Accounts		Holding Old Accounts		Product/ Technical Knowledge	
Apparel	Liz Claiborne	8.50	Liz Claiborne	8.63	Hartmarx	8.02
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Computers & Office Equipment	Digital	7.05	IBM	8.23	Hewlett-Packard	7.54
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Food & Beverages	Coca-Cola/ Pepsi-Cola (tie)	7.29	Kraft	7.85	Coca-Cola	7.71
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial & Farm Equipment	Black & Decker	6.36	Ingersoll-Rand	6.79	Caterpillar	7.31
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Metal Products	Gillette	7.00	Gillette	7.14	Parker Hannifin	7.44
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scientific & Photographic Equipment	Xerox	7.94	Xerox	7.50	Tektronix	8.00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wholesale Distribution	Bergen Brunswig	7.40	Wetterau	7.19	Genuine Parts/ Wetterau (tie)	6.82

Wyomissing, PA, company obviously picked up some of Blue Bell's good selling habits; it placed second among apparel sales forces with a score of 6.82.

Only two defending sales force champions—IBM and Du Pont—managed to retain their titles this year. The world's largest computer company has had its troubles in the PC market since we last surveyed that industry, which goes to show that even though Big Blue has faltered, it's tough to overcome the legendary reputation of its of button-down sales pros. Digital Equipment Company, whose business has blossomed in the intervening time, did give IBM a go. It took second place with a respectable 7.19 to IBM's 7.52.

Du Pont, meanwhile, proved that its formidable reputation precedes it. While 65% of respondents in the chemicals industry said they knew Du Pont "by reputation only," they felt justified in giving the Wilmington, DE, company a sweep of top honors in the survey's seven selling characteristics for an average score of 7.75. Two other companies swept their categories as well—Northwestern Mutual in life insurance and Kimberly-Clark in forest products. Kimberly-Clark's overwhelming showing follows a sixth-place finish in its last appearance in the survey.

One surprise winner was AT&T in the electronics industry. Undoubtedly, the company benefited from being placed in that category by the Fortune 500 and not in computers or telecommunications, two areas that have spelled turmoil for AT&T's selling organizations. But while Ma Bell's 6.73 average grade edged out General Electric's score of 6.68, GE scored highest for holding old accounts, product/technical knowledge, and reputation among customers—this last considered the most important attribute of sales forces according to respondents (see box at right).

While Black & Decker squeezed out a victory with a 6.67 score in the most competitive category in the survey, industrial & farm equipment, Caterpillar took the most individual honors with 7.00-plus scores in product knowledge, reputation, and quality of training.

It's interesting to note that, with sales depressed throughout the industrial equipment industry in 1986, respondents in this category awarded their peers marks that were neither very high nor low. The spread between the scores of No. 1 Black & Decker and No. 10 American Standard was a mere 0.50. By contrast, Liz Claiborne bested last-place Kellwood by a margin of 3.40 in the more volatile apparel business.

Pepsi-Cola was another one of the former Best Sales Force titlists that lost its footing at the top of the heap, being ousted by arch-nemesis Coca-Cola in the food & beverage

Reputation Among Customers		Quality of Training		Ability to Keep Top Salespeople		Innovation	
Liz Claiborne	8.52	Levi Strauss	7.50	Liz Claiborne	8.14	Liz Claiborne	8.48
IBM	8.42	IBM	8.42	IBM	7.81	Apple	7.32
Anheuser-Busch	7.72	Coca-Cola	7.25	Coca-Cola	7.08	Pepsi-Cola	7.38
Caterpillar	7.38	Caterpillar/ Deere (tie)	7.46	Deere	6.73	Black & Decker	7.36
Gillette	8.25	CBI Industries	6.75	Gillette	6.71	Gillette	7.63
Eastman Kodak	8.40	Xerox	8.25	3M	7.00	3M	6.94
Bergen Brunswig	7.38	Bergen Brunswig	7.67	Alco Standard	7.03	Bergen Brunswig	7.40

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category. Again, 1986 marketplace results back up the choice: Last year Coke replaced Pepsi as the nation's best-selling soft drink with an 18.9% market share.

One result of the food & beverage balloting that didn't make as much sense was Anheuser-Busch's designation as having the best reputation among customers—this in the face of a kickback scandal in the company's sales promotion department that culminated with the resignation of president Dennis Long. News of the scandal broke after respondents had sent in their questionnaires, fittingly showing A-B marketers just what they stood to lose with their improprieties.

Other survey highlights:

- Steepest drops from the last survey, besides Georgia-Pacific, were experienced by W.R. Grace, which fell from second to tenth in the chemicals category, and Litton Industries, which stumbled to ninth place after a No.2 finish two years ago.
- Xerox outdid 3M and Kodak in the scientific & photographic equipment industry while still in the throes of sales force restructuring.
- Apple Computer's sales force showed it has some polish, finishing a respectable fourth in its first year in the survey.
- Pharmaceutical sales forces, led by Merck, received the highest ratings overall with an average score of 6.98. At the bottom were forest products companies with a 5.60 average.

Sales managers from 13 industries have taken the time to tell us which sales forces are the best, but the best is yet to come. S&MM editors interviewed top executives at each of these companies to extract the sales methods and philosophies that lifted them to the pinnacle. Find out what these are on the following pages.

Survey respondents tell: WHAT MAKES A QUALITY SALES FORCE

Characteristics	% Saying Extremely Important
Reputation among customers	66%
Holding old accounts	62
Opening new accounts	47
Quality of training	45
Ability to keep top salespeople	45
Innovation	35
Product/technical knowledge	34

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field sales efficiency. The test is an outcome of a recent survey of branch managers seeking their opinions on what could be done to help the salespeople use their time more productively.

The use of laptops was cited most often by the managers. The second most popular suggestion was simplifying paperwork, such as complicated contracts, service agreements, and discount terms. The company hopes the salespeople's ratio of customer contact time can double from one-third to two-thirds.

Computer highlight

Small businesses overrated?

Marketers of office automation (OA) gear who target small businesses as a strong growth opportunity may find the pot of gold was overrated. A new report from CAP International, Marshfield, MA, a hi-tech researcher, projects small businesses' OA investments rising at a 9.2% compound annual growth rate in the 1986-91 period, a bit below the 15%-20% growth rates equipment marketers visualize.

Contending that "the rise of the PC clone market has been driven in large part by small businesses," senior consultant Casey Dworkin says, "Roughly half of the smallest businesses have PCs, a level that rises to over two-thirds of firms with fifty to ninety-nine employees." A CAP survey of over 1,000 small (under 100 employees) businesses found that almost one-quarter of companies with 50–99 employees plan to buy a PC in the next 12 months.

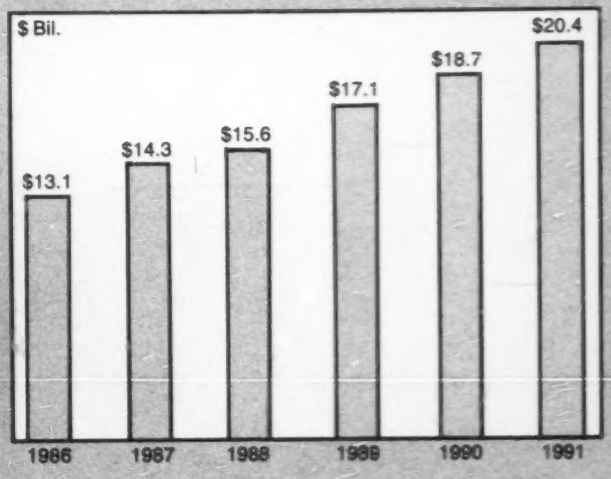
Raymond L. Boggs, director of CAP's Small Business Datatrack Service, estimates there are over 4 million such outfits, employing 51% of the total work force. OA equipment covered in CAP's survey falls in three basic categories: voice, data, and image.

PC enhances member services

The PC gives trade groups the opportunity to broaden their membership services. For example, ABCD: The Microcomputer Industry Assn., made up of computer specialty stores, has an on-line database where dealers list their excess inventory. Members access the database to buy and sell the inventory, within vendor guidelines.

More than 100 5.25-inch diskettes, containing the applications

Small businesses' office automation purchases



Source: CAP International, *Small Business Datatrack Service*

and communications software, have been distributed to members, says Bernard F. Whalen, executive vice president. All a member needs is an MS-DOS PC and a Hayes or compatible 1200-baud modem. The menu-driven database can be searched by product, vendor name, state, or zip code.

Computer gap afflicts retailers and suppliers

Supermarket operators and their manufacturer-suppliers don't think much of each other's computer information systems. A *Progressive Grocer* (PG) survey finds 53% of the distributors rate their suppliers' information systems as passable vs. 10% good, 37% poor. Suppliers, in turn, consider merchants' information systems passable 49% of the time vs. 6% good, 45% poor. Walter H. Heller, PG's vice president-research, writing in A.C. Nielsen's *The Nielsen Researcher*, thinks one reason might be "deep-seated apprehension or mistrust resulting from poor communications."

The same survey reveals "manufacturers want more scanning data from retailers than they're getting," Heller adds. When asked "Who is

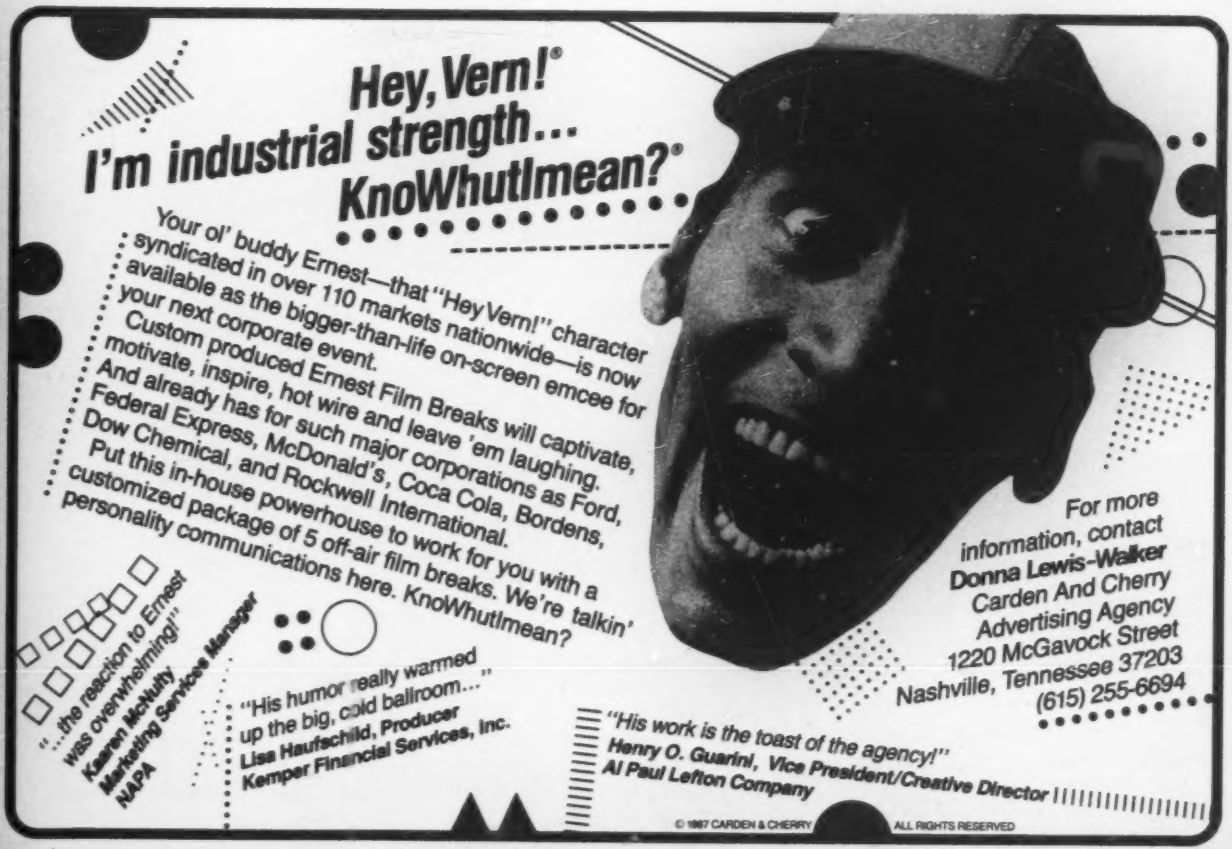
Computer highlight

PCs catch on (slowly) in sales

Sales departments still make subpar use of PCs, according to an International Data Corp. survey. Just under one out of nine sales departments had PCs at year-end 1985, a tad below the all-department average.

Department	PC Penetration
Accounting/ finance	58%
Management information systems/ data processing	41%
Research & development	32%
Engineering	30%
Others	22%
All departments	17%
Sales	**15%**
Personnel	14%
Clerical	7%

Source: International Data Corp.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